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SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

**IN THE MATTER OF THE REQUEST FOR
AGENCY ACTION OF CRESCENT POINT
ENERGY U.S. CORPORATION FOR AN
ORDER ESTABLISHING THE SOUTHERN
RANDLETT INCREASED WELL DENSITY
DEVELOPMENT PROJECT AREA FOR THE
PRODUCTION OF OIL, GAS AND
ASSOCIATED HYDROCARBONS FROM
THE EOCENE MIDDLE AND LOWER
GREEN RIVER AND PORTIONS OF THE
PALEOCENE WASATCH TRANSITIONAL
FORMATIONS UNDERLYING THE N1/2 OF
SECTION 16, THE S1/2 OF SECTION 15 AND
THE NW1/4 OF SECTION 15, TOWNSHIP 4
SOUTH, RANGE 2 EAST, USM, UINTAH
COUNTY, UTAH**

REQUEST FOR AGENCY ACTION

Docket No. 2015-012

Cause No. 142-13

COMES NOW, Crescent Point Energy U.S. Corporation ("CPE"), by and through its attorneys of record herein, Fox Rothschild LLP, and pursuant to Utah Code Ann. §§ 40-6-5(3)(b) and 40-6-6, and hereby respectfully requests that the Board of Oil, Gas and Mining (the "Board") enter an order establishing Southern Randlett Increased Well Density Development Project Area for production of oil, gas and other hydrocarbons from the Eocene Middle and Lower Green River formations, defined for purposes of this Cause as:

The interval between the Garden Gulch top (TGR3) and approximately 1000 feet into the Paleocene Wasatch, the stratigraphic equivalent of which is the interval between 4,888 and 7,432 feet on the log for the Crescent Point Energy Deep Creek 11-15-4-2E Well, located in the NE ¼ SW ¼ of Section 15, T4S, R2E, USM, Uintah County, Utah (API No. 43-047-5244),

(the “Subject Formations”), for the following Uintah County, Utah lands:

Township 4 South, Range 2 East, USM

Section 16: N/2

Section 15: NW/4; S/2

(collectively, the “Subject Lands”). The Subject Lands are contained within what is known as the “Three Rivers” area.

In support of this Request, CPE states and represents as follows:

1. CPE is a Delaware corporation with its principal place of business in Denver, Colorado. CPE is duly qualified to conduct business in the State of Utah. CPE is fully and appropriately bonded with all relevant Federal, Indian and State of Utah agencies.
2. The oil, gas and other hydrocarbons within the Subject Lands are subject to numerous oil and gas leases, of which CPE is a working interest owner.
3. The Subject Lands are not currently subject to any order of the Board establishing drilling units for the Subject Formations. The Subject Lands currently are subject only to the general operational rules of the Board and the Division of Oil, Gas and Mining (the “Division”), including the general well siting rule, Rule R649-3- 2, which provides that a vertical well may be located in the center of a quarter-quarter section with a 400 foot window of tolerance and no closer than 920 feet to another well producing in the same formation without an exception location approval.
4. In accordance with the general well siting rule, CPE has drilled approximately twenty (20) wells on the Subject Lands, of which twenty (20) have been completed as producing oil wells from the Subject Formations.

5. The Subject Formations constitute a “common source of supply” as that phrase is defined in Utah Code Ann. § 40-6-2(18).

6. Completion results from wells developed by CPE in the Randlett area indicate that CPE would only recover 2% to 3% of the oil in place if it were allowed to drill only one well per 40 acres, indicating significant resources would be left in the ground under the current allowed regulatory well density. As such, wells on a tighter density pattern are required to fully recover the resources and prevent waste.

7. CPE believes and alleges that wells on a 20-acre density pattern would not be in communication or create interference between wells.

8. CPE further believes and alleges that wells drilled on a 20-acre density pattern would be economic.

9. CPE respectfully asserts that granting this Request will further the public policies of the State of Utah to promote greater recovery of oil, gas and associated hydrocarbons from the Subject Formations without waste and with protection of the correlative rights of all affects owners, constitutes orderly and consistent development of the Subject Lands and is just and reasonable under the circumstances.

10. In accordance with the Board’s rules, CPE will timely submits exhibits and present testimony in support of the allegations and statements set forth in this Request.

11. CPE will separately file a certificate of mailing listing all of parties known to it, based upon its reasonable search of the Uintah County records and the records of the Division, who legally protected interests may be affected by this Request. CPE knows of no respondents or adverse parties at this time.

WHEREFORE, CPE respectfully requests that:

1. This matter be set for hearing on March 25, 2015, in Salt Lake City, Utah;
2. Notice of the hearing be given as provided by law; and
3. Upon production of sufficient evidence and testimony given at the hearing, the

Board issue an order:

- a) Establishing the Southern Randlett Increased Well Density Development Project Area for the production of oil, gas and hydrocarbons from the Eocene Middle and Lower Green River formations from the Subject Lands with the special drilling units identified above established due to the Green River and Uintah Special Meridian. Whereby the 40-acre five-spot production pattern as shown in the Exhibits, using a well grid utilizing 20-acre spacing is established for the project area, as approved by this Order, satisfies the purposes of the general well location and siting rules, Utah Admin. Code Rules R649-3-2 and R649-3-3 affecting the Subject Lands and Subject Formations, and such rules are suspended to the extent they are inconsistent with the operations approved by this Order. No future well shall be located closer than 460 feet from the boundary of the Southern Randlett Increased Well Density Development Project Area without administrative approval from the Division in accordance with the well exception location requirements of Utah Admin. Code Rule R649-3-3. Interior wells shall be located at least 460 feet from all other wells.
- b) Declaring the existing wells producing from the Subject Formations upon the Subject Lands to be at legal locations notwithstanding the relief requested;
- c) Expressly ordering that Utah Admin. Code Rule R649-3-11(1.1) is inapplicable to any directionally drilled well within the project area so established, so long as the bottom hole location of Lease Line Well #1 is located within a 400 foot square "window" with the center being the midpoint of the eastern boundary of the NE/4 of Section 16, and the western boundary of the NW/4 of Section 15, Township 4 South, Range 2 East, and Lease Line Well #2 is located within a 400 foot square "window" with the center being the midpoint of the southern boundary of the N/W4 of Section 15, and the northern boundary of the S/2 of Section 15, Township 4 South, Range 2 East. No exception location letters are needed for all interior wells located in the center of the five-spot pattern, as shown in Exhibits, with common mineral ownership, so long as the productive interval of the wellbore is located at least 460 feet from all other wells, with the caveat that, if an uphole completion closer than the set back is subsequently proposed, an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation) will be required;

- d) Proceeds from the production associated with Lease Line Well #1 and Lease Line Well #2, have been agreed upon by the mineral owners for those two wells, respectively, as set forth in that certain "Proceeds Allocation Agreement" included in the Exhibits. Proceeds from all other interior wells located in the center of the five-spot pattern, on common leasehold ownership, shall be distributed based on the terms of the associated lease ownership to match the existing producing 40 acre spaced wells on the same leasehold respectively.
- e) Making such findings and orders in connection with this Request as it deems necessary; and
- f) Providing for such other and further relief as may be just and equitable under the circumstances.

Respectfully submitted this __ day of February, 2014.

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